United Nations A/AC.96/1149

General Assembly

Distr.: General
16 July 2015
English
Original: English

Executive Committee of the
High Commissioner's Programme
Sixty-sixth session
Geneva, 5 to 9 October 2015
Item (6) of the provisional agenda
Reports relating to programme and administrative oversight and evaluation

Report on activities of the Inspector General's Office

Report of the High Commissioner

Summary

This report covers the work of the Inspector General's Office for the period from July 2014 through June 2015. It is provided pursuant to the decision of the Executive Committee of the High Commissioner's Programme to consider reports relating to programme and administrative oversight and evaluation during its annual plenary session (A/AC.96/1003, para. 25. 1. (f) (vi)). The Executive Committee has further requested that "summary reports covering inquiries and the main categories of investigations, the number of such types of investigation, the average time taken to complete investigations and a description of related disciplinary action" regularly be made available to it (A/AC.96/1021, para. 24 (e)).

GE.15-10863 (E)
1510863

Please recycle

Contents

Chapter		*Paragraphs*	*Page*
I.	Introduction	1	3
II.	Management strategy	2-10	3
	A. In-housing of the internal audit function	2	3
	B. Capacity-building: resources allocated to the IGO	3-7	3
	C. Management tools	8-9	4
	D. Inter-agency cooperation	10	5
III.	Inspections	11-15	5
	A. Inspection missions and reports	11-12	5
	B. Inspection methodology	13-14	6
	C. Collaboration with the United Nations Joint Inspection Unit	15	6
IV.	Investigations	16-23	6
	A. Caseload and reporting	16-18	6
	B. UNHCR and NGO coordination on investigations	19-20	7
	C. Fraud prevention	21	7
	D. Missions	22	8
	E. Investigation e-learning programme	23	8
V.	*Ad hoc* inquiries	24	8

I. Introduction

1. The Inspector General's Office (IGO) has three core functions: inspections of the quality of management of UNHCR operations; investigations of allegations of misconduct by all entities with contractual links to UNHCR; and *ad hoc* inquiries into violent attacks on UNHCR personnel and operations, as well as into other incidents causing major loss or damage to UNHCR's integrity, credibility or assets. This report outlines developments and activities undertaken by the IGO from July 2014 through June 2015.

II. Management strategy

A. In-housing of the internal audit function

2. The process of bringing the internal audit function in-house, which had been put on hold during the course of 2014 due to legal concerns, was indefinitely postponed at the end of the year upon the signing of a revised Memorandum of Understanding between UNHCR and the Office of Internal Oversight Services (OIOS). Strengthening internal oversight in UNHCR has remained a priority for the IGO, which continues to coordinate and work closely with OIOS to ensure a complementary and effective oversight function for UNHCR. This coordination includes coordinating respective mission schedules as well as the conduct of some joint IGO/OIOS inspection missions.

B. Capacity-building: resources allocated to the IGO

3. One of the main challenges confronting the IGO is the need to expand its capacity concurrent with increases in UNHCR's budgets and programmes, in order to provide effective oversight. The IGO is of the view that budgetary increase in the oversight component of the Organization should correspond to increases in the overall budget of the Organization.

4. Mindful of the High Commissioner's decision to limit the creation of positions in Geneva, and in line with a recommendation of the European Anti-Fraud Office's (OLAF) peer review of UNHCR's investigative function, the IGO undertook, as of 2014, to expand its Investigation Service through the creation of positions in two strategic locations, Bangkok and Nairobi. In the latter location, a Senior Oversight Officer (Audit) supports the work of both the Investigation and the Inspection Services. The creation of these out-posted positions has enabled the IGO to increase its capacity and bring its functions closer to field operations.

5. At headquarters, the newly-created position of Senior Strategic and Operational Intelligence Analyst is supporting the professionalization of both Services by, *inter alia*, leading proactive investigations and reinforcing the analysis of recurrent findings and trends from investigations, inspections and management implication reports. Further, the reclassification of one of the Senior Inspection Officer positions to include an audit component has not only enhanced the inspection function, but also provides a dedicated forensic audit capacity to the Investigation Service.

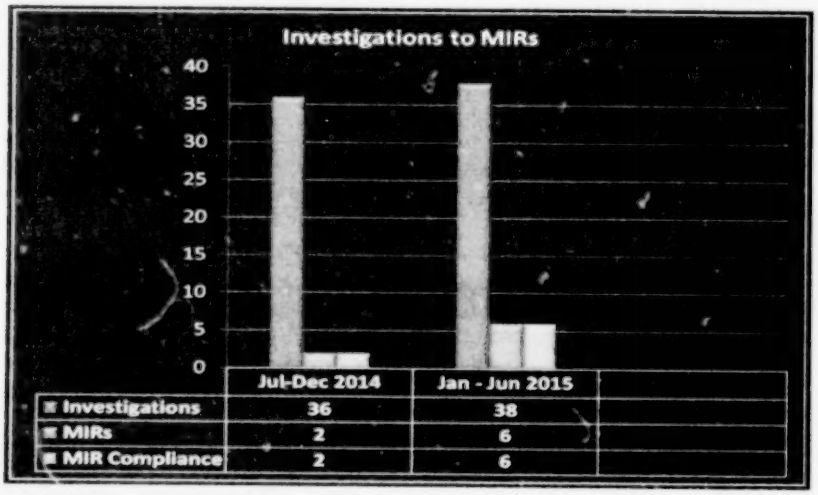
6. With regard to the staffing of the Investigation Service, the OLAF peer review recommended that the service be professionalized and that its capacity be increased to between 10-15 senior investigators. With regard to the first recommendation and following the reclassification or creation of several specialist positions, the Head of Service position has been reclassified as an expert function and will be filled as of 1 September 2015 by a

former Police Commissioner. With regard to the capacity of the Service, it remains in 2015 at a level of seven senior investigators. Only one further senior investigation position has been authorized for 2016, which will bring the number of UNHCR senior investigators to eight in 2016.

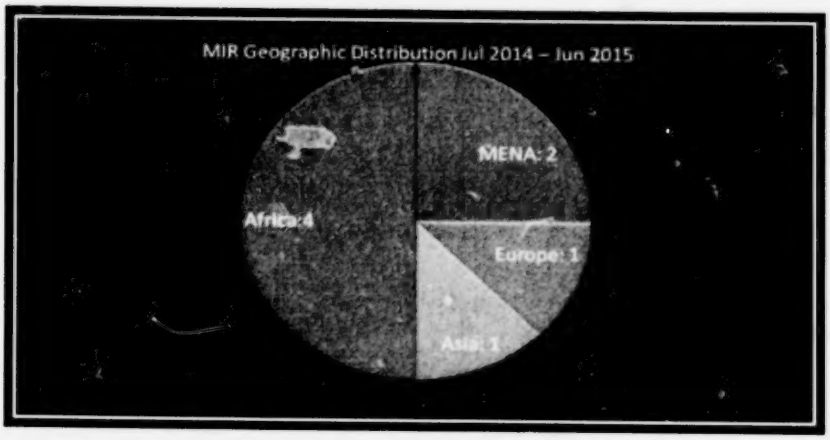
7. This staff shortage, as compared with professionally recognized international standards, continued to limit the ability of the Investigation Service to respond individually and timely to the ever increasing number of complaints and to fully investigate those complaints relating to misconduct that fall within the ambit of the IGO. The Investigation Service was thus compelled, throughout the reporting period, to seek the assistance of external consultants to undertake several critical investigations on behalf of the IGO.

C. Management tools

8. Management implication reports (MIRs) are issued by the Inspector General to the attention of relevant senior managers in order to highlight systemic weaknesses, flaws or policy gaps that have been revealed in the course of investigations, and which may have led to or exacerbated alleged misconduct. MIRs usually contain recommendations to address the concerns raised and include a deadline for compliance.



9. Eight MIRs were issued during the reporting period, addressing subjects that included refugee status determination and resettlement processes; asset and financial management procedures; staff security; and human resources recruiting processes. The compliance rate and feedback from the concerned managers regarding the recommendations of the MIRs was 100 per cent for the reporting period.



D. Inter-agency cooperation

10. The IGO has taken a series of initiatives in the spirit of inter-agency cooperation, notably: (i) undertaking joint inspection missions with the World Food Programme (WFP); (ii) assisting another UN agency with an investigation; (iii) supporting a request from a UN agency to participate in an independent review of its investigative function; and (iv) participating in meetings of the UN Representatives of Investigative Services (UN-RIS).

III. Inspections

A. Inspection missions and reports

11. Since its last report, the IGO has conducted four inspections of UNHCR operations in Ethiopia, Lebanon, Nigeria and Sri Lanka, using multi-functional inspection teams. The IGO conducted two additional inspection exercises: an inspection of the Biometrics Identification System for Food Distribution, conducted jointly with the Office of the Inspector General of WFP, and a compliance mission to Mauritania to follow up on recommendations issued in the 2013 *ad hoc* inspection report. The latter exercise was also conducted in close coordination with WFP. As part of its efforts to ensure synergies with other oversight bodies in UNHCR, the IGO ensured complementarity of its inspection to Ethiopia with the real-time evaluation conducted by the Policy Development and Evaluation Service (PDES) with respect to the South Sudan emergency. In the same vein, the IGO has planned two joint oversight missions (to South Sudan and the Syrian Arab Republic) with the OIOS during the fourth quarter of 2015.

12. During the reporting period, two inspections conducted in 2010 and 2012 were closed. The closure memoranda followed the review of periodic reports of the implementation of inspection recommendations.

B. Inspection methodology

13. With the introduction of an audit specialist in the Service, the IGO has initiated a thorough review of the inspection methodology, building on the revision of inspection tools carried out in previous years as well as international audit standards. The review will take into account a recommendation from the ninth session of the Independent Audit and Oversight Committee (IAOC), which called for more concise inspection reports and greater focus on recommendations with sufficient criticality. The IGO has also looked at the option of commercial audit software, used by several other UN agencies, which, once customized, would support a more systematic and thorough inspection methodology.

14. At the same time, the IGO has established an internal quality assessment tool to obtain feedback from inspected entities on the effectiveness of inspections and their recommendations for an improved inspection methodology. The IGO has recommended the establishment of a corporate, online follow-up mechanism for all oversight functions, bringing the issue to the attention of the Internal Compliance and Accountability Committee (ICAC). In this connection, the IGO has looked at various online tools, notably the one used by the United Nations Joint Inspection Unit (JIU), and has requested the Division of Information Systems and Technology (DIST) to propose a similar tool using readily available software such as SharePoint.

C. Collaboration with the United Nations Joint Inspection Unit

15. The IGO continued to manage UNHCR's compliance and reporting obligations to the JIU by coordinating the provision of inputs from various divisions for all JIU reviews. Furthermore, the IGO reported on 103 outstanding recommendations from JIU reports issued between 2006 and 2013. UNHCR's acceptance rate increased from 75.6 per cent at the end of 2013 to 86.7 per cent at the end of 2014. The rate of fully-implemented recommendations grew from 61 per cent at the end of 2013 to 85.6 per cent at the end of 2014, while implementation is ongoing for 12.7 per cent and not yet started for 1.7 per cent of the accepted recommendations. Overall, UNHCR's rate of compliance remains above the average in the United Nations system.

IV. Investigations

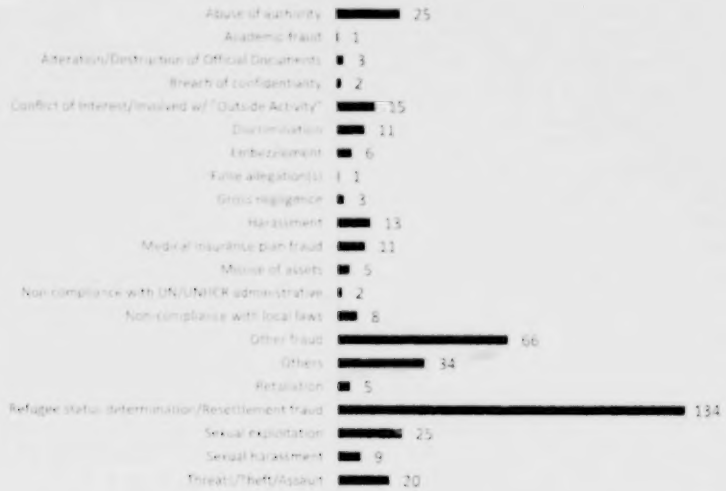
A. Caseload and reporting

16. During the period from 1 July 2014 through 17 June 2015, the IGO registered 1,959 complaints, representing an increase of 24 per cent over the previous reporting period. This sharp increase in the number of complaints received can be explained by a heightened awareness within the organization of the IGO's investigative role, as well as by the increase in UNHCR's budgets, resources and global operations.

17. Of the total number of complaints received, 1,449 related to protection and assistance concerns, while 399 involved allegations of misconduct. The remaining

111 complaints raised matters beyond the remit of the IGO. The breakdown of typology of the 399 complaints of misconduct is set out in the table below.[1]

Number of complaints of misconduct by typology received in the IGO
from 1 July 2014 to 17 June 2015



18. During this period, 75 investigation cases were opened and 77 cases were completed. Thirty-three of these cases resulted in the referral of an investigation report to the Division of Human Resources Management for further action, including possible disciplinary measures.

B. UNHCR and NGO coordination on investigations

19. Three regional investigation workshops – part of a series of workshops aimed at building the capacity of partners to prevent and address misconduct – were held during the reporting period. One was convened in Amman, for NGOs working in the Syrian situation; one in Bangkok, for NGOs working in South and South-East Asian countries; and one in Tunis, for NGOs working in North Africa. Two such workshops previously took place in late 2013 and early 2014, and two more are planned, if resources permit, over the next year.

20. A further initiative, in line with the objectives of the UNHCR/NGO workshops, notably to achieve strengthened accountability and quality of performance on the part of UNHCR's NGO partners, is the NGO Investigation Specialist Roster (NGO-ISR). The NGO-ISR is currently composed of 13 professional and experienced investigation consultants who are available to carry out investigations, at short notice, for NGO partners that lack their own investigative capacity.

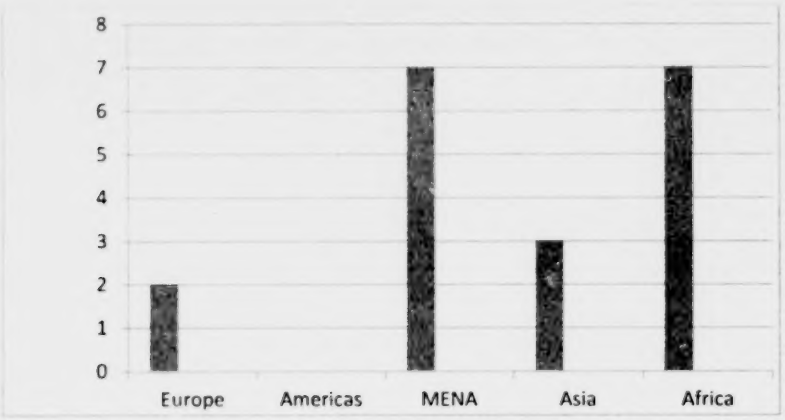
[1] The category "other fraud" includes complaints relating to, inter alia, procurement fraud. The category "others" relates to complaints that fall into areas not captured by the other categories, for example, allegations relating to attitudes of staff or allegations dealing with external interlocutors.

C. Fraud prevention

21. The IGO has taken a number of initiatives, in conjunction with other in-house and external parties, to prevent fraud. In January 2015, a Senior Investigation Specialist participated in a Fraud Prevention Workshop in Budapest, part of a series of workshops and consultations convened by the Division of Financial and Administrative Management (DFAM) in its capacity as Chair of the UNHCR Fraud Prevention Working Group. The IGO also is assisting DFAM in the development of an e-learning programme to improve fraud awareness in UNHCR. A two-day fraud investigation training was organized by the IGO in June 2015 and was attended by participants from nine other UN agencies, as well as UNHCR investigators. Finally, the Investigation Service is working with the Legal Affairs Service and the Supply Management and Logistics Service in order to strengthen the investigations-related clauses in the standard vendor agreement, so as to ensure that all commercial companies that UNHCR transacts with systematically carry out investigations relating to allegations of fraud (or any other form of misconduct), or permit UNHCR to do so on their behalf. These efforts will align the relevant clauses in the vendor agreement with similar provisions in the standard partnership agreement for implementing partners.

D. Missions

22. During the reporting period, 19 investigation missions were undertaken. Cases investigated on mission included serious allegations of sexual exploitation and abuse; financial fraud; refugee status determination and resettlement fraud; and abuse of authority. The geographical breakdown, by regional bureau, is reflected in the chart below.



E. Investigation e-learning programme

23. The Investigation Service launched its e-learning programme in January 2015, responding to multiple queries from staff on the investigation process. Some 720 staff have registered for this course, and 280 have completed it. Feedback has been extremely positive.

V. *Ad hoc* inquiries

24. One *ad hoc* inquiry, relating to living and working conditions for members of the affiliate workforce, was conducted in a country in Africa.